

19 OCT 1979

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for National Foreign Assessment
Deputy Director for Operations
Deputy Director for Science and Technology
Chairman, E Career Service

FROM: Harry E. Fitzwater
Director of Personnel

SUBJECT: Formation of an Informal SIS Working Group

1. Following the first presentation of the Senior Intelligence Service program to the assembled supergrade officers yesterday afternoon, we are seeking to move on to the various aspects of implementing the program. Based on our discussions to date, I realize we have a number of issues to resolve.

2. I believe it would be most useful to form an informal working group, representing the various directorates and career services and chaired by the Chief of the SIS Support Staff, to consider some of the common problems in implementing the new system. Hopefully, this group could discuss some of the key issues in greater detail than time constraints on the Executive Committee permit and could make recommendations to the Executive Committee, as well as providing an information link with directorate management on SIS matters.

3. If you agree, I would appreciate you designating a senior officer, and preferably one who will be working closely with you in implementing the SIS program in your directorate or career service. We will try to schedule meetings at times convenient for the participants, and to keep the sessions brief enough to encourage attendance by busy officers. We have tentatively scheduled a meeting for Wednesday, 24 October at 10:00 a.m. in the D/Pers Conference Room, 5E62, Headquarters.

4. Aside from the working group, Mr. [REDACTED] and his staff are willing and eager to meet with you and/or members of your staff at your convenience to discuss SIS questions relating to your directorates or career service. Mr. [REDACTED] temporary telephone lines are [REDACTED] but he can always be reached care of my office.

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Distribution:

1-Ea Addsee
1-DDCI

1-Deputy to the DCI for Collection Tasking

1-Deputy to the DCI for Resource Management

2-D/Pers

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[REDACTED]
Harry E. Fitzwater

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19 OCT 1979

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for National Foreign Assessment
Deputy Director for Operations
Deputy Director for Science and Technology
Deputy to the DCI for Resource Management
Deputy to the DCI for Collection Tasking
General Counsel
Legislative Counsel
Inspector General
Comptroller
Director, Equal Employment Opportunity
Director of Public Affairs

FROM: Harry E. Fitzwater
Director of Personnel

SUBJECT: Senior Intelligence Service - Advance Work Plan

REFERENCE: DDCI Memo dated 11 October to Same Addressees,
Subject: Senior Intelligence Service - Draft
Advance Work Plan

1. This will confirm the decision made at the Executive Committee Meeting on 17 October 1979 that Form 45W, Advance Work Plan, currently in effect for use with the new Performance Appraisal Report, will be used for Senior Intelligence Service members.

2. The referent memorandum required that agreement by the ratees and raters be effected by 1 November 1979. That date has been changed to 1 December 1979.

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Harry E. Fitzwater

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Deputy Director for National Foreign Assessment
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Distribution:

Orig - D/Pers Copy
1 - Each Addressee
1 - DCI
1 - DDCI
1 - SA/DDCI (Mr. [REDACTED])
1 - ER
1 - D/Pers Chrono
1 - D/Pers Subject
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1 - C/SIS/SS

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DD/Pers [REDACTED]:rj (19 October 79)

11 October 1979

MEMORANDUM FOR: Deputy Director for Science and Technology
Deputy Director for Operations
Deputy Director for Administration
Deputy Director for National Foreign Assessment
Deputy to the DCI for Resource Management
Deputy to the DCI for Collection Tasking
General Counsel
Legislative Counsel
Inspector General
Comptroller
Director, Equal Employment Opportunity
Director of Public Affairs

FROM : Deputy Director of Central Intelligence

SUBJECT : Senior Intelligence Service - Draft Advance Work
Plan

1. Attached is a preliminary draft of supplemental guidelines for the preparation of the Advanced Work Plans (AWP), an integral part of the SIS Performance Appraisal system. The SIS AWP and the Performance Appraisal system are the basic documents upon which performance awards and/or bonuses will be based.

2. I would like you to review these guidelines ASAP and comment back to the Office of Personnel by COB Monday, 15 October. The AWP will also be discussed at the 18 October SIS Conference. After review and revisions as appropriate, I expect to issue the guidelines before the end of October.

3. All supervisors of SIS members will be expected to prepare the AWP, discuss it with their SIS staff members and reach agreement on the AWP by 1 November 1979. The SIS members will be evaluated against the agreed upon work plan by 1 October 1980. Obviously, the supervisor and the SIS member to be rated must reach agreement not only on key priority objectives, but also how measurement of key objectives will take place.

4. I expect, in addition to individual work goals, that supervisors of SIS members will also take into account office/division level goals and directorate goals as well. The AWP should reflect both the organizational goals and the individual SIS member goals.


5. At the end of the first year's experience, I expect an in-depth evaluation of the SIS system including an analysis of the AWP.

6. I appreciate your continuing support as we launch the Senior Intelligence Service system.

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Frank C. Carlucci

Attachments

cc: DCI
Director of Personnel
SA/DDCI (Mr. 




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Distribution:

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SA/DDCI:skm (11Oct79)

ROUTING AND RECORD SHEET

SUBJECT: (Optional) Speeches for SIS Kick-Off Conference - 18 October 1979			
FROM: Harry E. Fitzwater Director of Personnel 5 E 58		EXTENSION 	NO. DATE 18 October 1979 STATINTL
TO: (Officer designation, room number, and building) STATINTL	DATE RECEIVED FORWARDED		OFFICER'S INITIALS COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DDCI Mr. 			Vince:
2.			Attached are two different tacks taken in preparing speeches for the DDCI's presentation this afternoon. We provided these two different speeches since one is more directed toward conversations which resulted after yesterday's Executive Committee Meeting and might be the one he might want to use to counter some of the discussion about the system being degrading.
3.			
4. Deputy Director of Central Intelligence			
5.			
6.			 STATINTL Harry E. Fitzwater
7.			
8.			Atts
9.			
10.			
11.			
12.			
13.			
14.			
15.			

LADIES AND GENTLEMEN:

THE INTRODUCTION OF THE SENIOR INTELLIGENCE SERVICE IS A MOMENTOUS STEP IN THE HISTORY OF THE CENTRAL INTELLIGENCE AGENCY. I WOULD HASTEN TO ADD THAT I EXPECT IT IS BEING PERCEIVED BY SOME IN THIS GROUP TODAY AS MORE MOMENTOUS THAN BY OTHERS.

AS POINTED OUT IN THE DIRECTOR'S PREFACE TO THE SENIOR INTELLIGENCE SERVICE BROCHURE, WE PERCEIVE THE CREATION OF A SENIOR INTELLIGENCE SERVICE AS AN OPPORTUNITY TO RECOGNIZE SUPERIOR PERFORMANCE BY OUR SENIOR PERSONNEL. ALTHOUGH THE RECENT PASSAGE OF THE CIVIL SERVICE REFORM ACT OF 1978 GIVES US THE OPPORTUNITY, WE ARE TECHNICALLY EXEMPT FROM ITS PROVISIONS. THUS, WE ARE FOLLOWING THE LEAD OF THE SENIOR EXECUTIVE SERVICE BEING INTRODUCED ELSEWHERE IN THE FEDERAL GOVERNMENT, BUT OUR PLAN IS FOUNDED ON USE OF THE DIRECTOR'S SPECIAL AUTHORITY. THE NEW SYSTEM OBVIOUSLY PROVIDES SOME IMMEDIATE BENEFITS FOR THOSE WHO JOIN -- A LIFTING OF THE ANNUAL LEAVE ACCUMULATION MAXIMUMS, ELIGIBILITY FOR SABBATICALS, AND SENIOR OFFICER DEVELOPMENT PROGRAMS.

FAR AND AWAY THE MOST IMPORTANT FEATURE OF THE NEW PROGRAM, AND ALSO THE MOST CONTROVERSIAL, IS THE PROVISION FOR PERFORMANCE AWARDS AND STIPENDS. THESE ARE AT THE HEART OF THE CONCEPT OF A SENIOR EXECUTIVE SERVICE, AS PROPOSED BY THE PRESIDENT AND APPROVED BY THE CONGRESS. IT OFFERS INCENTIVES FOR FEDERAL EXECUTIVES COMPARABLE TO THOSE AVAILABLE IN PRIVATE INDUSTRY. IT IS BASED ON COMPETITION.

SOME HAVE EXPRESSED THE VIEW, BOTH ON THE SENIOR EXECUTIVE SERVICE AND SPECIFICALLY ON OUR SENIOR INTELLIGENCE SERVICE, THAT CIA EXECUTIVES

ALREADY ARE FULLY COMMITTED TO THEIR RESPONSIBILITIES, AND THAT COMPETITIVELY-AWARDED INCENTIVES EITHER WILL NOT WORK OR WILL BE PERCEIVED AS DEGRADING. I AM SOMEWHAT PUZZLED BY THESE REACTIONS. IN MY ASSOCIATION WITH AGENCY EXECUTIVES AT ALL LEVELS, I HAVE FOUND YOU TO BE HIGHLY TALENTED, HEALTHILY AMBITIOUS, AND FIERCELY COMPETITIVE. MOST OF YOU IN THE AUDIENCE TODAY ROSE TO YOUR PRESENT POSITION THROUGH COMPETITION WITH YOUR PEERS IN A SUCCESSION OF PROMOTION PROGRESSIONS. THIS SYSTEM HAS INDEED WORKED, AND IN MY VIEW, HAS NOT PROVED DEGRADING TO ANYONE IN THE SYSTEM.

IT IS INDEED TRUE THAT IT WILL BE DIFFICULT TO INTRODUCE AND IMPLEMENT A COMPETITIVE AWARDS SYSTEM IN WHICH ONLY HALF OF OUR SENIOR OFFICERS WILL BE GIVEN AWARDS IN A GIVEN YEAR. OBVIOUSLY, WE MUST DEMONSTRATE THAT THE STANDARDS BY WHICH EACH IS JUDGED ARE REALISTIC AND FAIR. BUT THE END RESULT SHOULD BE TO CONVINCE ALL CONCERNED, INCLUDING THOSE WHO DO NOT RECEIVE AWARDS IN A GIVEN PERIOD, THAT THE NEW PROGRAM OFFERS A NEW DIMENSION OF CAREER ENHANCEMENT RATHER THAN TAKING AWAY ANYTHING. ALTHOUGH IT WILL BE MOST DIFFICULT FOR SENIOR SUPERVISORS AT ALL LEVELS TO DEVELOP STANDARDS OF PERFORMANCE AND TO RATE SENIOR OFFICERS SERVING UNDER THEM, I BELIEVE THAT THE SENIOR INTELLIGENCE SERVICE OFFERS A NEW MANAGEMENT TOOL FOR ENCOURAGING AND REWARDING EXCELLENCE. I BELIEVE IN THIS PROGRAM, AND I WANT EACH OF YOU HERE TODAY TO BELIEVE IN IT. ONLY IN THIS WAY WILL WE BE ABLE TO ACCOMPLISH THE AMBITIOUS GOALS SET FORTH. I WOULD LIKE TO THINK THAT EACH OF YOU WILL SUPPORT THE PROGRAM. I WOULD EXPECT THAT MANY OF YOU WILL HAVE SUGGESTIONS FOR HOW TO IMPLEMENT IT.

TODAY IS ONLY ONE STEP ON THE ROAD TO DEVELOPMENT OF A SYSTEM IN WHICH ALL MAY TAKE SATISFACTION AND PRIDE. I URGE EACH OF YOU TO JOIN US IN THE SENIOR INTELLIGENCE SERVICE, AND TO JOIN US IN THE EFFORT TO MAKE IT WORK -- IN THE BEST INTEREST OF OUR NATION, OUR AGENCY, AND OUR DESERVING PEOPLE. THANK YOU.

LADIES AND GENTLEMEN:

I HOPE THAT EACH OF YOU HAS HAD THE OPPORTUNITY TO STUDY CAREFULLY THE MATERIALS SENT TO YOU FROM THE DIRECTOR ON THE NEWLY FORMED SENIOR INTELLIGENCE SERVICE AND TO RAISE ANY QUESTIONS YOU MIGHT HAVE HAD WITH THE DIRECTOR OF PERSONNEL AND HIS STAFF. BECAUSE THIS IS SUCH AN IMPORTANT DECISION FOR EACH OF YOU TO MAKE, THE DIRECTOR, THE DEPUTY DIRECTORS AND I WANT EACH OF YOU TO HAVE THE FULLEST UNDERSTANDING OF THE PRINCIPLES, PURPOSES AND PERSONNEL MANAGEMENT FEATURES OF THE SENIOR INTELLIGENCE SERVICE SYSTEM AND TO ELICIT YOUR SUPPORT IN ITS SUCCESSFUL IMPLEMENTATION.

THE DIRECTOR AND I HAVE BEEN IMPRESSED WITH THE FINE GROUP OF DEDICATED AND INNOVATIVE SENIOR OFFICERS IN THE AGENCY, WHO ARE GENUINELY CONCERNED ABOUT EXCELLENCE OF PERFORMANCE AND QUALITY OF CONTRIBUTION TO THE NATIONAL INTELLIGENCE EFFORT. WE ARE CONVINCED, THEREFORE, THAT THE UNDERLYING THEORIES AND CONCEPTS OF THE SENIOR INTELLIGENCE SERVICE SUPPORT THESE CONCERNS AND ENHANCE OUR EFFORTS TO GIVE ADDITIONAL MEANINGFUL RECOGNITION AND TANGIBLE REWARDS TO THOSE WHOSE PERFORMANCES EXCEL.

THE PURPOSE OF THE MEETING TODAY, THEN, IS TO GIVE YOU A BRIEF OVERVIEW OF THE SENIOR INTELLIGENCE SERVICE AS WE SEE IT, INITIALLY, BUT MOSTLY TO GIVE YOU AN OPPORTUNITY TO ASK OF ME, THE DEPUTY DIRECTORS, THE DIRECTOR OF PERSONNEL AND THE SENIOR INTELLIGENCE SERVICE TASK GROUP, WHO DID MOST OF THE SPADEWORK, ANY QUESTIONS WHICH YOU MAY HAVE.

IN GENERAL, WE ENVISION THE SENIOR INTELLIGENCE SERVICE TO BE A TOTAL PERSONNEL SYSTEM CONCERNED WITH ALL ASPECTS OF SENIOR OFFICER PERSONNEL MANAGEMENT. WE INTEND TO PLACE HIGH PRIORITY ON, AND GIVE

CAREFUL ATTENTION TO, SELECTION OF NEW SENIOR INTELLIGENCE SERVICE MEMBERS; SENIOR OFFICER DEVELOPMENT FOR ALL OF US; PERFORMANCE APPRAISAL; SELECTION FOR MORE RESPONSIBLE ASSIGNMENTS AND, HENCE, PROMOTION; PERFORMANCE AWARDS FOR THOSE WHO EXCEL AND SPECIAL ASSISTANCE TO THOSE WHOSE PERFORMANCES ARE NOT UP TO EXPECTATIONS TO HELP THEM IMPROVE.

YOUR SENIOR INTELLIGENCE SERVICE BROCHURES AND OTHER MATERIALS COVER MOST OF THE PROVISIONS OF THE SENIOR INTELLIGENCE SERVICE; HOWEVER, THE ONE WHICH HAS GIVEN US THE MOST CONCERN AND WHICH, IN THE FINAL ANALYSIS, IS THE "HEART" OF THE SENIOR INTELLIGENCE SERVICE SYSTEM IS PERFORMANCE APPRAISAL. HARRY FITZWATER WILL GIVE YOU SOME INSIGHT INTO PERFORMANCE APPRAISAL AS IT APPLIES TO THE SENIOR INTELLIGENCE SERVICE MEMBERS. I WOULD, HOWEVER, LIKE TO PREFACE THE DISCUSSION ON THE SUBJECT BY SAYING THAT IT IS CRITICAL THAT YOU, AS SENIOR OFFICERS, FULLY UNDERSTAND THE CONCEPTS UNDERLYING THE DEVELOPMENT OF ADVANCE WORK PLANS AND SUBSEQUENT PERFORMANCE APPRAISALS, AND THEIR RELATIONSHIP TO PROMOTIONS, ASSIGNMENTS, PERFORMANCE AWARDS, AND, EVEN, RETENTION IN THE SERVICE. I URGE YOU TO TAKE SERIOUSLY THE DEVELOPMENT OF MEANINGFUL WORK OBJECTIVES AND PERFORMANCE STANDARDS BETWEEN AND AMONG YOU, YOUR SUPERVISORS AND YOUR SUBORDINATES AS THE CASE MAY BE. THE SUCCESS OF THE ENTIRE PROGRAM RESTS ON THE SINCERITY AND INTEGRITY WITH WHICH YOU APPROACH THE PERFORMANCE APPRAISAL PROCESS. NO AMOUNT OF PROCEDURES, FORMS OR DIRECTIONS CAN REPLACE THEM.

BEFORE I TURN THE MEETING OVER TO HARRY, I WOULD LIKE TO MAKE REFERENCE TO ANOTHER PROVISION OF THE CIVIL SERVICE REFORM ACT WHICH WE ARE TAKING UNDER ADVISEMENT AND THAT IS MERIT PAY. FOR THOSE OF YOU WHO MAY NOT BE FAMILIAR WITH THIS PROVISION, THE MERIT PAY SYSTEM PROVIDES

INCENTIVE PAY FOR EXCELLENCE OF PERFORMANCE TO MANAGERS/SUPERVISORS
IN THE GS-13 TO GS-15 GRADE RANGE. WITHOUT GETTING INTO MORE DETAIL
ON THIS SUBJECT, I WISH TO INFORM YOU THAT NO DECISIONS HAVE BEEN MADE
BY THE DIRECTOR AS TO WHETHER THE AGENCY WILL ADOPT ANY OF THE FEATURES
OF THE MERIT PAY PROVISION. WE PLAN TO STUDY IT IN THE NEAR FUTURE AND
I WILL KEEP YOU ADVISED. IF THERE ARE QUESTIONS OR APPREHENSIONS IN THIS
AREA, PLEASE ADVISE THE INQUIRER OF THE STATUS AS I HAVE JUST INDICATED
AND, IF NEED BE, CALL [REDACTED] ON EXTENSION [REDACTED] FOR FURTHER
INFORMATION.

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~~DRAFT~~ A

Ladies and Gentlemen

The introduction of the Senior Intelligence Service is a momentous step in the history of CIA. I would hasten to add that I expect ^{it is} ~~it is~~ being perceived by some in this group today as more momentous ~~perhaps~~ than by others.

As pointed out in the Director's preface to the SIS brochure, we perceive the creation of an SIS as an opportunity to recognize superior performance by our senior personnel. Although the recent passage of the Civil Service Reform Act of 1978 gives us the opportunity, we ^{are} technically exempt from its provisions. Thus, we are following the lead of the Senior Executive Service being introduced elsewhere in the federal government, but our plan is founded on ~~the~~ use of the Director's special authority. The new system obviously provides some immediate benefits for those who join -- ~~a~~ a lifting of the annual leave accumulation maximum, eligibility for sabbaticals, and ~~the~~ senior officer development programs.

Far and away the most important feature of the new program, and also the most controversial, is the provision for performance awards and stipends. These are at the heart of the concept of a Senior Executive Service, as proposed by the President and approved by the Congress. It ~~has been described~~ ~~as~~ offering incentives for federal executives comparable to those available in private industry. It is based on competition.

Some have expressed the view, both on the SES and specifically on our SIS, that CIA executives already are fully committed to their responsibilities, and that competitively-awarded ^{ed} incentives either ^{will} ~~would~~ not work or ^{will} ~~would~~ be perceived as degrading. I am somewhat puzzled by these reactions. In my ~~time of~~ ^{at all levels,} association ^{you} with Agency executives ~~I~~ I have found ~~them~~ to be highly talented,

DRAFT

~~helpfully~~ ^{healthily} ambitious, and fiercely competitive. Most of you in the audience today rose to your present position ^{ti} ~~of your responsibility~~ through competition with your peers in a succession of promotion progressions. This system has indeed worked, and in my view, has not proved degrading to anyone in the system.

~~Given the above situation,~~ It is indeed true that it will be difficult to introduce and implement a competitive awards system in which only half of our senior officers will be given awards in a given year. Obviously, we must demonstrate that the standards by which each is judged are realistic and fair. But the end result should be to convince all concerned, including those who do not receive awards in a given period, that the new program offers ^{a new} ~~another~~ dimension of career enhancement rather than taking away anything. Although it will be most difficult for senior supervisors at all levels to develop ~~the~~ standards of performance and to rate senior officers serving under them, I believe that SIS offers a new management tool for encouraging and rewarding excellence. I believe in this program, and I want each of you here today to believe in it. Only in this way will ^{be} ~~be~~ we able to accomplish the ambitious goals set forth. I would like to think that each of you will support the program. I would expect that many of you will have suggestions for ^{how to} ~~implementing~~ it. Today is only one step on the road to ^{development of} ~~creating~~ a system in which all may take satisfaction and pride. I urge each of you to join us in the SIS, and to join us in the effort to make it work ~~in~~ the best interest of our nation, our Agency, and our ^{deserving} ~~our~~ people. Thank you.

~~TOP SECRET~~

LADIES AND GENTLEMEN!

I hope that each of you has had the opportunity to study carefully the materials sent to you from the Director on the newly formed Senior Intelligence Service ~~(SIS)~~ and to raise any questions you might have had with the Director of Personnel and his staff. Because this is such an important decision for each of you to make, the Director, the Deputy Directors and I want each of you to have the fullest understanding of the principal purposes and personnel management features of the SIS system and to elicit your support in its successful implementation.

The Director and I have been impressed with the fine group of dedicated and innovative senior officers in the Agency, who are genuinely concerned about excellence of performance and quality of contribution to the national intelligence effort. We are convinced, therefore, that the underlying ~~principles, purposes, and provisions~~ ^{theme and concept} of ~~the~~ ^{the} SIS support these concerns and enhance our efforts to give additional meaningful recognition and tangible rewards to those whose performances excel.

The purpose of the meeting today, ~~the~~ ^{EN}, is to give you a brief overview of SIS as we see it, initially, but mostly to give you an opportunity to ask of me, the Deputy Directors, the Director of Personnel and the SIS Task Group, who did most of the spade work, any questions which you may have.

In general, we envision SIS to be a total personnel system concerned with all aspects of senior officer personnel management. We intend to place high priority on, and give careful attention to, selection of new SIS members; senior officer development for all of us; performance appraisal; selection for more responsible assignments and, hence, promotion; performance awards for those who excel and special assistance to those whose performances are not up to expectations to help them improve.

Your SIS brochures and other materials cover most^{of} the provisions of SIS; however, the one which has given us the most concern and which, in the final analysis, is the "heart" of the SIS system is performance appraisal. Harry Fitzwater will give you some insight into performance appraisal as it applies to SIS members. I would, however, like to preface the discussion on the subject by saying that it is critical that you, as senior officers, fully understand the concepts underlying the development of Advance Work Plans and subsequent performance appraisals, and their relationship to promotions, assignments, performance awards, and, even, retention in the service. I urge you to take seriously the development of meaningful work objectives and performance standards ^{between and among you} ~~and among you~~, your supervisors and your subordinates as the case may be. The success of the entire program rests on the sincerity and integrity with which you approach the performance appraisal process. No amount of procedures, forms or directions can replace them.

Before I turn the meeting over to Harry, I would like to make reference to another provision of the Civil Service Reform Act which we are taking under advisement and that is Merit Pay. For those of you who may not be familiar with this provision, the Merit Pay System provides incentive pay for excellence of performance to managers/supervisors in the GS-13 to 15 grade range. Without getting into more detail on this subject, I wish to inform you that no decisions have been made by the Director as to whether the Agency will adopt any of the features of the Merit Pay provision. We plan to study it in the near future and I will keep you advised. If there are questions or apprehensions in this area, please advise the inquirer of the status as I have just indicated and, if need
STATINTL be, call [REDACTED] on x____ for further information.

~~Take it away Harry, baby!~~